

Old Age, Disability, Death

First law: 1928.

Current law: 1988.

Type of program: Social insurance system.

Exchange rate: U.S.\$1.00 equals 3,506 sucres.

Coverage

Employees in industry, commerce, agriculture, government, independent, and self-employed.

Optional for President of the Republic and Ministers.

Exclusions: congressmen and family labor working in family enterprise (father, mother, spouse, and sons under 18 years and dependents).

Special system for peasants.

Source of Funds

Insured person: 6% of earnings in industry and commerce; 8% in banking; 8% in government; 8% in teaching; 6% in agriculture. Domestic workers, 6%. Self-employed, 10.39% of earnings; independent workers, 8.39%.

Employer: 2.39% of payroll in industry and commerce; 2.39% in banking; 0.39% government employees; 0.39% teachers; 2.39% for agricultural and domestic workers.

Government: 40% subsidy on pensions for old age, disability, death.

Maximum limit for benefits: 10 times minimum wage.

Minimum for contribution purposes: Legal minimum wage: 95,000 sucres a month.

Qualifying Conditions

Old-age pension: Age 55 and 360 months of contribution, or at any age with 420 months of contribution; beginning with age 60, the minimum number of monthly contributions is reduced.

Retirement necessary.

Reduced pension at age 45 with 300 months of contribution and 6 months of unemployment.

Disability pension: 5 years of contribution. Incapacitated for all work.

Survivor pension: 5 years of contribution by insured, or deceased was pensioner at death.

Death grant: 6 months of contribution in last year.

Old-Age Benefits

Old-age pension: 75% of average earnings during 5 highest earnings years (need not be consecutive), plus increments of 1.25% of earnings per year of contribution beyond 30 years.

Schedule of payments: 12 monthly payments a year, plus 13th, 14th and 15th salaries.

Minimum pension: Equal to legal minimum wage (95,000 sucres) plus Costs of Living Compensation (175,000 sucres) and 16th salary (15,833 sucres) in monthly payments.

Also, annual payments of 13th (95,000 sucres), 14th (190,000 sucres) and 15th (50,000 sucres) salaries.

Adjustment: Pensions adjusted periodically for increases in the legal minimum wage, Costs of Living Compensation and increase in pensions.

Permanent Disability Benefits

Disability pension: 43.75% of average earnings during 5 highest years (need not be consecutive), plus increment of 1.25% of average earnings per year of contribution beyond 5 years.

Survivor Benefits

Survivor pension: 40% of pension of insured, payable to widow, disabled widower, common law wife of at least 2 years, or mother of deceased's children.

Orphans: 20% of pension of insured, or 40% if full orphan, for each orphan under age 21 (no limit if disabled).

Other survivors (if dependent on deceased): Mother or disabled father, 20% of pension; brother or sister under age 21, disabled, or student, 10% of pension each.

When insured deceased paid under 60 contributions, these are refunded as lump sum.

Minimum survivor pension: legal minimum wage plus living costs compensation for family group.

Maximum survivor pension: 100% pension of insured for family group.

Death grant: 21 times the minimum wage, less funeral grant below.

Funeral grant: 10 times minimum wage.

Administrative Organization

Ministry of Social Welfare, general supervision.

Ecuadorian Social Security Institute, administration of program.

Sickness and Maternity

First law: 1935.

Current laws: 1942, 1964 and 1988.

Type of program: Social insurance system. Cash and medical benefits.

Coverage

See old-age pension, above.

Medical care available to all insured persons.

Source of Funds

Insured person: None for active insured and retired; widows not insured or retired contribute 4.15% of their widow pension for medical attention.

Employer: 4.71% of wages for medical benefits (includes 3.41% for medical benefits; 1.30% subsidy for sickness and maternity).

Government: None.

Qualifying Conditions

Cash sickness benefits: 6 months of contribution with at least 2 months of contribution in six months prior to onset of illness.

Cash maternity benefits: 6 months of contribution during year prior to birth. For self-insured, 12 contributions required.

Medical benefits: 26 weeks of contribution, including 8 weeks before illness.

Sickness and Maternity Benefits

Sickness benefit: For first 10 weeks, 75% of average earnings in 3 months prior to onset of illness, payable after 4-day waiting period for up to 70th day; 66% thereafter up to a maximum of 180 days.

Maternity benefit: 75% of last earnings of insured; payable for 12 weeks, for 2 weeks before and 10 weeks after confinement. Layette provided (cash equivalent to a general minimum wage).

Workers' Medical Benefits

Medical benefits: Medical services ordinarily provided directly to patients through medical facilities of Social Security Institute. Includes general and specialist care, surgery, hospitalization, medicines, laboratory services, and dental care.

Dependents' Medical Benefits

Medical benefits for dependents: Pediatric care for infants during first year, including drugs and hospitalization.

Administrative Organization

Ministry of Social Welfare, general supervision.
Ecuadorian Social Security Institute, administration of program.
Institute operates own clinics, dispensaries, and hospitals.

Schedule of payments: 15 payments a year.

Workers' Medical Benefits

Medical benefits: Medical and surgical care, hospitalization, appliances, medicines, and rehabilitation.

Survivor Benefits

Survivor pension: 40% of pension of insured to widows; 80% to orphans.

Funeral grant: 24 times the minimum wage.

Administrative Organization

Ministry of Social Welfare, general supervision.
Ecuadorian Social Security Institute, administration of program.

Unemployment

First law: 1951.

Current laws: 1958 and 1988.

Type of program: Social insurance system (lump-sum benefit).

Coverage

Employees in private and public sectors.
Exclusions: Volunteers.

Source of Funds

Insured person: 2% of earnings.

Employer: 1% of payroll.

Government: None.

(Additional insurance purchasable.)

Qualifying Conditions

Unemployment benefit : (lump sum): 24 months of contribution. Payable after at least 60 days of unemployment.

Unemployment Benefits

Unemployment benefit: Lump sum varying according to earnings and length of service (exact amounts fixed annually).

Survivor benefit (lump sum): Paid to widow, children under age 21, disabled widower, or, if none, certain other qualified relatives.

Administrative Organization

Ministry of Social Welfare, general supervision.
Ecuadorian Social Security Institute, administration of program.

Work Injury

First law: 1921.

Current laws: 1964 and 1988.

Type of program: Social insurance system.

Coverage

All insured persons.

Source of Funds

Insured person: None; 1.5% for self-employed, voluntarily insured persons and artisans.

Employer: 1.5% of payroll.

Government: None.

Qualifying Conditions

Work-injury benefits: No minimum qualifying period.
Occupational disease: 6 months of contribution.

Temporary Disability Benefits

Temporary disability benefit : For first 10 weeks, 75% of average earnings in 10 weeks prior to onset of illness; 66% thereafter. If disability extends more than 1 year, 80%.

Permanent Disability Benefits

Permanent disability pension: 80% of average earnings during last year, or during previous 5 years if higher earnings (100% of earnings in severe cases).

Partial disability: Percent of full pension proportionate to degree of disability, according to schedule in law.